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of our strongest railroad companies provide unusual opportunities for permanent invest-

The purchase of sound long term bonds at this time enables the investor to secure over a long period of years the high interest rate now prevailing.

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Eight Per Cent. Gold Notes DUE AUGUST 1, 1925 Net Tangible Assets will be over 41/3 times this issue of Notes.

Net Current Assets will be more than 31/3 times these Notes. Semi-Annual Sinking Fund

this issue before maturity. Each \$1,000 Note carries privilege to purchase Three Shares common stock at \$35 per share at any time

designed to retire about one-half

after February 1, 1921. Price-100 and interest to Yield 8%

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Whether or not you have sugar bonds among your holdings, the impressive sugar facts contained in our booklet TR-39, will prove of interest to you.

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Securities Bought for Investment or Carried on Conservative Margin

> 120 BROADWAY 212 FIFTH AVENUE LONGACRE BULDING NEW YORK

# Sharp Break in Stocks Follows **Buying of Rails**

Catching Stop Loss Or-Other stocks ders; Steel Lowest Since All stocks ....

In its perverse movements yesterday the stock market demonstrated why professors of economics do not pay super taxes. Students of the law of probability little expected a day of probability little expected a day of the stock market demonstrated with the stock market demonstrated with the stock market demonstrated with the stock market demonstrated bonds.

U. S. government bonds.

Railread bonds.

All bonds.

High. Low. Div. 1920, 1920 crashing security prices on the first business day after the substantial in-creases in freight and passenger rates were granted to the railroads by the Interstate Commerce Commission.

The relation of the rate decision to stock values was too simple. The stock values was too simple. The amateur trader perceived it, and had all day Sunday in which to decide which railroad security to purchase. The increases coincided with what the

railroad executives hoped to get, al-though they fell slightly short of what they asked for. Bankers and railroad officials expressed the view that the verdict of the interstate commission would be fundamentally helpful to the

would be fundamentally helpful to the transportation situation.

From all parts of the country orders came to buy railroad stocks at the opening. In the first ten minutes of trading the enthusiasm of speculators over the rate decision was emphatically registered in a bouyant upswing of prices, which carried many of the industrials forward with the rails. Gains of three points were not infrequent, and for the first few minutes it looked as though as an oasis of bullish water had been discovered in a bearish desert.

water had been discovered in a bearish desert.

But the buying power spent itself too quickly. The bulls on railroad stocks gave a mighty pull at the opening of trading, but they all acted simultaneously. By 10:10 o'clock the professional traders perceived that the energy of the buyers had been exhausted. After the very fast rise, floor traders began to sell heavily, and forthwith the reaction set in. The industrial stocks were the hardest hit in the terrific reaction that followed, but the rails, too, lost much of their early gain, though many revealed a net increase for the day.

Steel common was up a full point at the opening, and it closed at the lowest level it has attained since 1917, being quoted at 85%, off 2% points from Saturday's close. Once the decline got under way, it swept through the list without abatement until the end of the session, and such conspicuous stocks as Bethlehem B, Republic, American Can, American Smelting & Refining, and American Woolen tumbled to the lowest levels quoted this year. The wave of selling not only reduced the gains made by the rail stocks, but actually made some of them reveal a net decline for the day. Atchison closed off 1s. Pere Marquette off 1s. Reading, off 25s, and Union Pacific, off 1% points.

The break resulted from professional

points.

The break resulted from professional selling, which was aided by the catching of stop-orders and by liquidation from tape readers. Moreover, selling came too, from disappointed longs who thought the rate decision would cause a rally which would give them a good opportunity to sell out at higher levels than those obtaining at the close of last week.

Observers of the market seemed to agree that the favorable decision from Washington would have caused a substantial rise if the setting had not been so distinctly bearish. The market was clearly sold ex news yesterday; that is, the bears were no longer restrained by the consciousness that a bullish development was impending. a bullish development was impending. Once the news was out the pursuers of lower prices felt free to achieve their purposes. Around the posts where stocks were bought and sold it was said that a leading speculator was selling heavily all through the decline.

Those who insist or rationalizing Those who insist on rationalizing dwelt on the Polish situation yesterday, and also on the tightness of credit. Despite the fact that the Clearing House statement last Saturday for the House statement last Saturday for the second time in a fortnight showed a deficit in reserves, call money opened at 8 per cent, and eased off to 7 per cent. The Russo-Polish tangle was more immediately alarming to folk of conservative bent, especially in so far as it revealed the power of the Soviet government. The speculative commun. government. The speculative community is beginning fully to realize the magnitude of the war in which Europe is now engrossed. Because of the uncertainty of the situation and dissatisfaction with the methods of Polish banking, many of the large Wall Street banks, year serious declined to quote

faction with the methods of Polish banking, many of the large Wall Street banks yesterday declined to quote Polish marks. The European exchanges were again weaker yesterday, and sterling declined to the lowest level since February.

In the commodity markets conditions were different. On the Cotton Exchange the various months showed gains varying from 35 to 102 points, because the bearishness of the government crop report had been over-discounted. It gave the condition of the crop as of July 25 as 74.1, but market operators expected 75. The report indicates a crop of 12,519,000 bales, which is 1,000,000 bales more than predicted a month ago. The wheat and corn markets also closed higher.

In the bond market the low-priced rails rose sharply as a result of the rate decision, and the tendency of the whole market early in the day was upward. Reactions followed, but the rail issues closed with net gains.

## Money and Credit

Call money eased off yesterday to 7 per cent after renewing at 8 per cent. The heavy liquidation of securities was largely responsible, as it enabled brokers to pay off outstanding loans. Government withdrawals from the banks to-day are expected to approximate \$14,000,000, making \$30,000,000 over the last week. Despite the easier call money rates, time funds are still practically impossible to get.

Yester Year day.

61% 479% 4
434 31/4 —
4142 25% 6
170 50 —
84 72 7
78/8 76 6
263/4 76/2 6
93/4 62/4 —
93/4 63/4 .60

ago. 6 7 On mixed collateral.... 8
On industrial collateral, 8
Time money (mixed collateral): 

Bank Clearings Bank clearings at

Bank Clearings—Bank clearings at New York yesterday were: Exchanges, \$778.822,303; balances, \$87,855,879.

Silver—London, 56.648; New York domestic, 99 %c; foreign, 93.8c; Mexican dollars, 71c.

Sub-Treasury—United States funds Reserve credit balances; \$180,845,385.

Canadian Exchange—New York funds in Montreal, \$123.12 premium per \$1,000; Montreal funds in New York, \$109.63 discount per \$1,000.

The Dollar in Foreign Exchange
Led by a further decline in sterling to the lowest level reached since February, the European exchanges dropped once more yesterday. The banks declined to quote Polish marks, because of the uncertainty of the situation in Poland.

Yesterday's rates, compared with those of a week ago, follow:

WE WISH TO BUY

Galveston Elec. Co. 1st 5s
Union Gas (Spokane) 5s

Hartshorne & Battelle

Members New York Stock Exchange

Members N

# Transactions Yesterday in Listed Stocks

Record of Stock and Bond Averages Summary of Stock Exchange Dealings V York Tribune Inc.)
Year January 1 to date.
ago. 1920. 1919. 1918.
364,700 24,954,200 35,571,500 18,984,600
1,518,200 117,213,100 140,764,200 67,214,300
1,882,900 142,167,300 176,735,700 86,198,900
1,220. 1919.

1920. 1919. Stocks Range thus Vesterday, before. . 62.55 62.45 71.10 . 85.17 87.20 104.77 . 76.12 77.30 91.30 fligh. 68.70 110.30 Day before. Year ago. 1920. 1,977,000 202,316,000 201,947,000 10 Industri 2,618,000 225,801,000 216,117,000 5 Utility 13,569,000 2,394,053,000 1,851,755,000 25 Bonds 10 Industrial bonds 5 Utility bonds ...

Advance Rumely
Ajax Rubber
Alaska Juneau
Allis-Chalmers
Allis-Chalmers pf Amr Irug Syndicate
American Express
Am Hide & Lenther
Am Hide & L pf.
Amer Ice Securities
Amer Int'l Corp
Amer Locomotive
Amer Safety Razor
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Amer Ship & Com.
Amer Steel Fdy.
Amer Sugar
Amer Sugar
Amer Sugar pf.
Amer Sumatra Tob.
Amer Tob & Tel.
Amer Tobecom

Assets Real Co Atl Ref pf. Balt & Ohio ... Balt & Ohio pf. Barrett Co Beth Motors
Bethlehem Steel
Beth Steel, Class B.
Bklyn Rapid Tran
Bklyn Union Gas
Burns Bros
Butte Cop & Zinc
Butte & Sup Copper
Butterick Co

Canadian Pacific Case Plow ...... Central Leather . Chino Con Copper.

Consol Cigars .... Con Textile Cuba-Amer Sugar Cuba Cane Sugar Cuba Cane Sugar of Dela & Hudson Del, Lack & West 2600 91/2 91/2 89/2 99 + 1/2 89 99/2 30/6 18 - 300 208 208 208 + 4 206 210 60/2 50 5 20 200 50/2 55/2 5 - 5 50/4 85/6 60/2 50 5 20 200 10 10 10 10 - 10 10/8 511/2 351/2 4 770 47/4 47/4 47/4 10/4 10/4 10/8 511/2 351/2 4

8 Famous Players
8 Famous Players pf...
- Federal Min & Sm...
.70 Federal Min & Sm pf

**Equipment Bonds** 

N.Y. C. & St. D. 432 | 1931 | 20 | 40 | 1931 | 1931 | 1931 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930 | 1930

110.50

Lee Rubber & Tire. Mackay Cos pf. Nat Cloak & Suit

Norfolk & Western. Norfolk & West pf..

Pere Marquette
Pere Marquette pf
Pere Marq prior pf
Philadelphia Co

Punta Alegre Sugar, Railway Steel Spring Ray Consol Copper.

Sugar and Wheat Exportation

# In Wall Street

Lamont Denies Chinese Loan

No request has yet been made by, China to the American group of bankar East, where he went to ascertain conditions if China and also to bring Japan into the consortium. Peking dispatches indicated that China had asked for an immediate advance for the purpose of disbanding troops and reconstructing the government after the overthrow of the pro-Japanese Cabinet. While not averse to Cabinet. While not averse to helping China out of her present financial difficulties, bankers in the American group said yesterday that present conditions in the money market here make it impracticable to arrenge a loan to any foreign country.

#### Regarding Mexican Finance

With the present worldwide shortage With the present worldwide shortage of capital, investment bankers here think it unlikely that the new government of Mexico will be able to borrow any large sums in foreign money marts. Asked regarding the story given out last week to the effect that the government south of the Rio Grande had a plan of financial reorganization which called for a loan of \$800,000,000, bankers would merely smile.

#### Prospects of French Loan

In regard to reports from Paris that In regard to reports from Paris that the French government would seek \$100,000,000 loan here in connection with the Anglo-French loan, bankers here identified with French financing said that they had as yet received no official word on the subject from the Paris government. However, it is known that the success of the recent Relgian and Swiss learn in this court Rnown that the success of the recent Belgian and Swiss loans in this coun-try reawakened the hopes of France to get fresh accommedations from American investors, and it is con-sidered likely that an offering will be made in the fall if conditions in the domestic investment market warrant.

#### Commodities Sell Higher

In contrast to the movement of prices on the Stock Exchange, most of the commodities sold higher yesterday. The grain markets showed signs of firmness after a week of severe slumps. The rise in cotton, which was rather unexpected, was based not so much on the failure of the government crop condition estimate to reach the market's expectation of 75 per cent normal as on the report from New Orleans that consumption of the commodity in the last year exceeded the amount produced, and that the amount held in the South was lower than on July 31 last year. This bullish end season report caused active covering by those who sold short, and the result was a sharp rise. The trade did not buy heavily, however. In contrast to the movement of

### State Commissions Must Act

State Commissions Must Act

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37 here to-morrow for the purpose of formulating a plan for presenting the new tariffs to the state commissions. Railroad men estimate that interstate traffic comprises about 75 per cent and

## Financial Items

# A New Issue To Yield 8.45%

Maturing January 15, 1923. An obligation of the Louisville Gas & Electric Company, which, without competition, does the entire gas and electric business of the City of Louisville, Kentucky. Only because of market conditions are we able to offer this secured investment on such an attractive basis.

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Railway Company We are offering the 6 % Adjustment Bonds of this Company at a price 61 to yield about 10%

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"The Oil Industry" for August

"How to analyze an Oil Investment" Upon request we will mail this publication without charge each month.

R.C. MEGARGEL & CO. 27 Pine Street-New York

E.W. Wagner & Co.

33 New St., New York

Monthly Earnings Baltimore & Ohio

June gross ... \$17.584.907 inc \$2.351.680

Def after tax 2888.35 inc 2.128.595

Net on deficit 587.350 inc 2.728.595

Six mos. gross 59.786.722 inc 20.926.871

Bal. after tax 852.244 inc 4.770.915

Net op. income 592.108 inc 4.525.971

June gross \$1.375.524 inc. \$214
Def. after tax. 205.785 lnc. 288
Net op. deficit. 219.655 lnc. 288
Six mos. gross 7.889.948 lnc. 1.458
Def. after tax. 221.581 Dec. 175
Net op. deficit. 186,540 Dec. 178
Chicago & Eastern Illinois

Toledo, St. Louis & Western